

Maersk/MSC/HMM Strategic Cooperation Agreement

FMC Agreement No. 012463

A Cooperative Working Agreement

Expiration Date: April 1, 2020

This Agreement has not been published previously.

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ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this Agreement is the Maersk/MSC/HMM Strategic Cooperation Agreement ("Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to authorize the parties to engage in the slot chartering, slot exchange activities, and related cooperative activities in the Trade (as hereinafter defined), as set forth in Article 5 hereof.

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to the Agreement are:

1. Maersk Line A/S ("Maersk")
Esplanaden 50
1098 Copenhagen K
Denmark
2. MSC Mediterranean Shipping Company SA ("MSC")
12-14 Chemin Rieu
1208 Geneva
Switzerland
3. Hyundai Merchant Marine Co., Ltd. ("HMM")
194, Yulgok-ro, Jongno-gu,
Seoul 110-754, Korea

Maersk, MSC, and HMM are sometimes referred to individually as a "Line" and jointly as "Lines."

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of the Agreement shall extend to the trades between (a) ports in Northern Europe on the one hand and ports on the U.S. Atlantic Coast on the other hand ("NE-USEC Trade"); (b) ports in Asia on the one hand and ports on the U.S. Atlantic Coast on the other hand ("FE-USEC Trade"); and (c) ports in Asia on the one hand and ports on the U.S. Pacific Coast on the other hand ("FE-USWC Trade"). Each of the foregoing is hereinafter referred to as a "Trade." Geographic terms used in this Article 4 are defined in Appendix A hereto.

ARTICLE 5: AGREEMENT AUTHORITY

5.1 Slot Exchange.

(a) In the FE-USWC Trade, HMM shall provide slots for 1,000 TEUs per week to each of Maersk and MSC, with such slots to be divided among HMM's three services in the FE-USWC Trade as the Lines may agree from time to time. In exchange for the foregoing slots, Maersk and MSC will each provide slots for 1,000 TEUs per week to HMM on services operated by Maersk and MSC in the FE-USWC Trade pursuant to FMC Agreement No. 012293, with such slots to be divided among such services as the Lines may agree from time to time.

(b) HMM intends to operate three (3) services in the FE-USWC Trade using in the aggregate up to 19 vessels with an average capacity of 6,000 TEUs each.

(c) HMM shall consult with each of MSC and Maersk prior to the introduction of any new services, or prior to seeking cooperation with third party vessel provider(s) in any form (including slot sale and slot swap), in the FE-USWC Trade, with a view to exploring further cooperation with and integration into the services operated under FMC Agreement No. 012293 first. Should HMM fail to so consult, MSC and/or Maersk may terminate the slot exchange described in Article 5.1(a) for cause (such termination being without prejudice to the continuation of the slot charter arrangement described in Article 5.2 hereof). If further cooperation with Maersk and MSC cannot be agreed, HMM may cooperate with one or more third party vessel provider(s) (by way of direct sale or slot swap) in the FE-USWC Trade, but in such event it is understood that HMM shall take steps to ensure that its cooperation with other carrier(s) will not result in the exchange of confidential information between Maersk and MSC on the one hand and the other vessel provider(s) with which HMM is cooperating on the other hand, or in MSC or Maersk containers being moved on the vessels of carriers other than HMM (and vice-versa). Notwithstanding the failure to reach agreement between HMM and Maersk/MSC on further cooperation, if HMM enters into a cooperation with one or more other carriers, Maersk or MSC shall have the right to terminate this Agreement in its entirety if HMM fails to ensure that 1) there will be no exchange of confidential information between Maersk and MSC on the one hand and the other vessel provider(s) with which HMM is cooperating on the other hand or that MSC or Maersk containers shall not move on the vessels of carriers other than HMM (or vice versa) and/or 2) there will be no material changes in HMM's services as in existence as of the Effective Date (as defined in Article 8).

(d) HMM shall be entitled to introduce permanent changes to port rotations transit times or terminals (with the exception of the Pier 400 call on HMM's PS2 Service) on the services on which MSC and Maersk are allocated slots under this Article 5.1, provided that these are communicated to MSC and Maersk in advance. Where any such change would have a material adverse effect on the commercial benefits which would reasonably be expected to be gained by MSC or Maersk under the slot exchange, MSC or Maersk may terminate the slot exchange for cause. MSC and Maersk shall be entitled to make permanent changes to port rotations, transit times or terminals on the services on which HMM is allocated slots under this Article 5.1, provided these are communicated to HMM in advance. Where any such change would have a material adverse effect on the commercial benefits which would reasonably be expected to be gained by HMM under the slot exchange, HMM may terminate the slot exchange for cause. Termination of the slot exchange pursuant to this Article 5.1(d) shall be without prejudice to the continuation of the slot charter set forth in Article 5.2 hereof.

5.2 Slot Charter.

(a) In the FE-USEC Trade, Maersk and MSC shall charter to HMM, and HMM shall purchase from Maersk and MSC, slots for 3,800 TEUs per week on services operated by Maersk and MSC pursuant to FMC Agreement No. 012293, with such slots to be divided among such services as the Lines may agree from time to time. Slots shall be provided to HMM by Maersk and MSC in proportion to their respective slot allocations in the Trade.

(b) In the NE-USEC Trade, Maersk and MSC shall charter to HMM, and HMM shall purchase from Maersk and MSC, slots for 700 TEUs per week on services operated by Maersk and MSC pursuant to FMC Agreement No. 012293, with such slots to be divided among such services as the Lines may agree from time to time. Slots shall be provided to HMM by Maersk and MSC in proportion to their respective slot allocations in the Trade.

(c) The foregoing slot charter purchases are based on HMM's volumes between direct ports of call and therefore HMM's initial slot allocation is restricted to ports already serviced directly by HMM and will not necessarily involve space on all services operated by Maersk and MSC in the Trades covered by Articles 5.2(a) and 5.2(b) above. HMM may request additional ports to be added and the Lines shall discuss in good faith such addition of ports.

(d) In the event HMM needs additional space in the FE-USEC and/or NE-USEC Trades, it may propose a general increase in its aggregate capacity allocation on some or all of the services covered by this Article 5.2 in the third quarter of each calendar year (to take effect from the beginning of the following calendar year), or otherwise in exceptional circumstances. HMM may request slots in addition to those provided for in Articles 5.2(a) and/or 5.2(b) from MSC and Maersk on an *ad hoc* basis.

(e) Only if a proposal to increase HMM's allocation is not accepted may HMM introduce new services or acquire an equivalent number of slots from a third party vessel operator and in such case only for an equivalent service within the relevant Trade covered by this Agreement. Only if a proposal to increase HMM's allocation is not accepted or a request for additional slots on an *ad hoc* is denied may HMM acquire

an equivalent number of slots from a third party vessel operator for an equivalent service within the relevant Trade covered by this Article 5.2. The Lines are authorized to discuss and agree on what constitutes “equivalent” for purposes of this sub-section (e). In the event HMM cooperates with any other carrier as permitted under this Article 5.2, it shall take steps to ensure that its cooperation with such other carrier will not result in the exchange of confidential information between Maersk and MSC on the one hand and the other vessel provider with which HMM is cooperating on the other hand, and that such cooperation will not result in MSC or Maersk containers being carried on the vessel of a carrier other than HMM.

(f) In the event HMM fails to make the proposal or request for an expansion of its allocation before introducing a new service or acquiring slots from a third party vessel operator in the FE-USEC Trade, or should HMM enter into a cooperation with an alliance third party in the FE-USEC Trade, MSC and/or Maersk may terminate this Agreement for cause. In the event HMM fails to make the proposal or request for an expansion of its allocation before introducing a new service or acquiring slots from a third party vessel operator in the NE-USEC Trade, or should HMM enter into a cooperation with an alliance third party in the NE-USEC Trade, MSC and/or Maersk may terminate the slot charter arrangements in the NE-USEC Trade for cause (such termination being without prejudice to the continuation of the remaining slot charter and slot exchange arrangements). In the event HMM fails to request additional slots on an *ad hoc* basis before acquiring slots from a third party vessel operator, or should

HMM enter into a cooperation with an alliance third party, MSC and/or Maersk may terminate this Agreement for cause, except that if the failure is for slots in the NE- USEC Trade, MSC and/or Maersk may terminate the slot charter for cause only for the NE-USEC Trade (such termination being without prejudice to the continuation of the remaining slot charter and slot exchange arrangements).

(g) Maersk and MSC shall be entitled to introduce permanent changes to port rotations, transit times or terminals on the services on which HMM is allocated slots under this Article 5.2, provided that these are communicated to HMM in advance. Where any such change would have a material adverse effect on the commercial benefits which would reasonably be expected to be gained by HMM under the slot charter, HMM may terminate this Agreement for cause.

5.3 Use of Slots by HMM.

Slots provided to HMM hereunder may not be sold by HMM by way of direct sale or slot swap to any third party vessel provider other than where MSC and Maersk so agree.

5.4 Terminals.

Each Line shall be responsible for payment of all terminal costs related to the handling and storage of its cargo and containers in accordance with its individual contracts with the terminal operators utilized by the Line(s) providing the vessels on which such cargo/containers are transported. Upon request of any Line, the Line or Lines providing the vessels in any service covered by this Agreement shall endeavor to facilitate discussions between the requesting Line and the terminal operator(s) utilized by the Line or Lines providing vessels.

5.5 General and Miscellaneous Matters.

(a) The Lines are authorized to discuss and agree on the amount to be paid for slots chartered hereunder, and payment terms and conditions. Payments for slots chartered hereunder may be setoff as agreed against certain time charter payments which may be due as between the relevant Lines such that only one cash amount is payable as between any two Lines.

(b) For purposes of this Agreement, "cooperation" with an alliance third party occurs when HMM enters into a cooperation (including any sort of purchase, lease, exchange, swap or other use of space or other vessel capacity to or from HMM, directly or indirectly) with another vessel operator who is a party to another vessel alliance, on services which wholly or partly overlaps with any of the trades under this Agreement. For purposes of this Agreement, a request or purchase of slots shall be "ad hoc" when such slot request or purchase is made for no more than 3 consecutive sailings in a trade.

(c) No Line shall have a lien on the vessels under the ownership or control of any other Line as a result of obligations or liabilities arising out of this Agreement.

(d) No U.S.-flag vessels employed by Maersk which are within the Agreement, or any slots on such vessels, shall be used, other than by Maersk, for the carriage of cargoes reserved to U.S.-flag vessels pursuant to the cargo preference laws of the United States (including, but not limited to, Public Resolution Number 17, sections 901(b) and 901b of the Merchant Marine Act, 1936, as amended, and the Military Cargo Preference Act of 1904); provided, however, that nothing herein shall prevent the Parties from using Maersk-employed U.S.-flag vessels or any slots thereon for the carriage of that portion of preference cargoes that is not reserved to U.S.-flag vessels.

(e) Each Line shall retain its separate identity and shall have fully separate and independent sales, pricing and marketing functions. This Agreement does not create and shall not be construed as creating any legal entity or joint liability under the law of any jurisdiction.

(f) No information which is commercially sensitive may be exchanged hereunder directly or indirectly between any of the Lines other than as strictly necessary for the proper functioning of the Agreement.

(g) The Lines are authorized to discuss and agree upon such general administrative matters and other terms and conditions concerning the implementation of this Agreement as may be necessary or convenient from time to time. Such implementing matters include record-keeping; cargo acceptance, handling and stowage; responsibility for loss or damage; general average; salvage; insurances; the handling and resolution of claims and other liabilities (including liabilities to third parties arising out of the act, neglect or default of one or more Lines); indemnification; documentation and bills of lading; the acceptance of dangerous, break bulk and out-of-gauge cargoes, and force majeure. In the event of a conflict between this Agreement and any implementing agreement, this Agreement shall govern.

ARTICLE 6: AGREEMENT ADMINISTRATION

6.1 Administration.

This Agreement shall be administered by meetings and communications between representatives of the Lines. The Lines are authorized to enter into such agreements as

may be necessary or desirable for the implementation of this Agreement, such as working procedures and a charter party.

6.2 Delegation of Authority.

The following are authorized to subscribe to and file this Agreement and any accompanying materials and any subsequent modifications to this Agreement with the Federal Maritime Commission:

- (i) Any authorized officer of a Line; and
- (ii) Legal counsel for a Line or for the Agreement.

ARTICLE 7: VOTING

Except as otherwise provided herein, all decisions hereunder, including amendments to this Agreement, shall require unanimous agreement of the Lines.

ARTICLE 8: DURATION AND TERMINATION OF AGREEMENT

8.1 This Agreement shall become effective on the date it is effective under the U.S. Shipping Act of 1984, as amended, or such later date as may be agreed by the Parties in writing (the "Effective Date"), and shall continue until April 1, 2020. If any Line wishes to extend or expand the cooperation embodied herein, it shall indicate its interest and commence discussions to do so no later than six (6) months prior to April 1, 2020.

8.2 HMM on the one hand or MSC and Maersk on the other hand may terminate this Agreement by giving 6 months' prior notice, save where the termination is for cause, in which case the notice period shall be 3 months. Notwithstanding this, the

earliest date on which HMM may terminate this Agreement without cause is the date falling two years after the Effective Date and no notice delivered by HMM seeking to terminate the Agreement without cause shall be valid until the date falling six months prior thereto; and the earliest date on which MSC or Maersk may terminate the Agreement without cause is the date falling 18 months after the Effective Date and no notice delivered by MSC or Maersk seeking to terminate the Agreement without cause shall be valid until the date falling six months prior thereto.

8.3 In the event this Agreement is terminated, any vessel's round trip voyage under the slot exchange or slot charter provisions hereof that has commenced shall be concluded.

8.4 Notwithstanding Article 8.2, HMM on the one hand or Maersk and MSC on the other hand may terminate this Agreement with immediate effect upon written notice to the other if HMM (in the case of termination by Maersk and MSC) or Maersk or MSC (in the case of termination by HMM) either (a) is subject to an insolvency event (as defined by the Lines from time to time) or (b) has committed a material breach (as defined by the Lines from time to time) and fails to remedy said breach to the reasonable satisfaction of the non-breaching Line(s) within a reasonable period of time (i.e., 3 months) following receipt of written notice of the material breach.

8.5 Notwithstanding Article 8.2, either HMM on the one hand or Maersk and MSC on the other hand may terminate this Agreement on not less than three (3) months written notice if HMM (in the case of termination by Maersk and MSC) or either Maersk or MSC (in the case of termination by HMM) is subject to a change of control

(as defined by the Lines from time to time). In addition, MSC and Maersk shall have the right to terminate this Agreement for cause in the event any competitor of the businesses of MSC or Maersk obtains sufficient control of HMM to influence its business decisions.

8.6 Maersk or MSC may terminate this Agreement for cause in the event notice of termination of FMC Agreement 012293 is given in accordance with the terms thereof.

8.7 Any termination of this Agreement shall be without prejudice to, and shall not affect any rights, remedies, obligations or liabilities of any Line that have accrued prior to the date of such termination.

8.8 The Federal Maritime Commission shall be notified of the termination of this Agreement.

ARTICLE 9: APPLICABLE LAW AND DISPUTE RESOLUTION

9.1 This Agreement is to be governed by and construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual, is to be governed by and determined in accordance with English law; provided, however, that nothing herein shall relieve the Lines of their obligation to comply with the U.S. Shipping Act of 1984, as amended.

9.2 Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and

finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration (the “Rules”), which are deemed to be incorporated by reference to this Article. Any Line may initiate arbitration proceedings pursuant to this Article 9 by sending its request to the London Court of International Arbitration (a copy of which request shall be sent to the other Parties) (such request being an “Arbitration Request”).

9.3 The arbitral tribunal constituted pursuant to the Rules shall, subject to Article 9.4, consist of one arbitrator, who shall be appointed by agreement of the Lines. If the Lines fail to agree upon the appointment of the arbitrator within 21 days of the date of deemed receipt of the Arbitration Request, the President of the London Court of International Arbitration shall appoint the arbitrator at the written request of any Party (a copy of which request shall be sent to the other Parties).

9.4 Any Line may, within five days of receipt of an Arbitration Request, give notice to the other Line(s) that a panel of three arbitrators should be appointed (such notice being a “Panel Expansion Notice”). If a Line sends a Panel Expansion Request, Article 9.3 shall not apply and the Arbitral Tribunal shall consist of three arbitrators appointed pursuant to the agreement of the Lines. If the Lines fail to agree upon the appointment of the three arbitrators within 21 days of the date of deemed receipt of the Panel Expansion Notice, the President of the London Court of International Arbitration shall appoint the three arbitrators at the written request of any Line (a copy of which request shall also be sent to the other Lines).

9.5 The seat of any arbitration pursuant to this Article 9 shall be London and the language to be used in the arbitral proceedings shall be English.

9.6 The rights provided herein are without prejudice to the Parties' rights at law or in equity.

ARTICLE 10: MISCELLANEOUS

10.1 No Line may assign or transfer its rights or obligations under this Agreement in part or in full to any third party, company, firm or corporation without the prior written consent of the other Lines, which consent may be withheld for any reason.

10.2 If any provision of this Agreement is held to be invalid, illegal or unenforceable in any jurisdiction in which this Agreement is operational, then said provision(s) shall cease to have effect among the Lines, but only to the extent of such invalidity, illegality or unenforceability and no further. All remaining provisions hereof shall remain binding and enforceable.

10.3 No variation or waiver of any of the provisions of this Agreement and no agreement concluded pursuant to any of the provisions of this Agreement shall be binding unless in writing and signed by the duly authorized representatives of the Lines.

10.4 Communication of all written notices required pursuant to this Agreement (other than notice of termination, which will be sent by registered mail) shall be sent by e-mail, fax or letter to the following addresses or as otherwise advised:

Line	Address	Fax number	E-mail address
Maersk	50 Esplanaden 1098 Copenhagen Denmark Attn: Anders Boenaes	45-3363-4784	<u>anders.boenaes@maersk.com</u>

HMM 194, Yulgok-ro, Jongno-gu, 82-2-732/8482
Seoul 110-754, Korea
Attn: S. S. Lee ss.lee@hmm21.com

Any notice given under this Agreement shall be effective upon receipt.

10.5 The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not, unless otherwise expressly stated, preclude any other or further exercise of it or the exercise of any other right, power or remedy.

10.6 This Agreement may be executed in any number of counterparts each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same instrument.

ARTICLE 11: COMPLIANCE

11.1 The Lines agree to comply with all applicable laws, rules, regulations, directives and orders issued by any authorities having jurisdiction in relation to the rights and obligations of the Lines under this Agreement, and any consequence to this Agreement resulting from the non-compliance of a Line with such applicable laws, rules, regulations, directives and orders shall be borne in full by that Line.

11.2 The Lines shall be signatory to the Agreement to Voluntarily Participate in Customs-Trade Partnership Against Terrorism ("C-TPAT Agreement") and agree to develop and implement a verifiable, documented program to enhance security

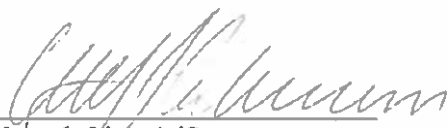
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procedures throughout their respective portions of the supply chain process, as
described in the C-TPAT Agreement.


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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed
by their duly authorized representatives as of this 13 day of February, 2017.



Maersk Line A/S
Name: Ulf Hahnemann
Title: Authorized Representative



Maersk Line A/S
Name: Pierre Danet
Title: Authorized Representative

MSC Mediterranean Shipping Company S.A.
Name:
Title:

Hyundai Merchant Marine Co., Ltd.
Name:
Title:

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IN WITNESS WHEREOF, the parties have caused this Agreement to be
executed by their duly authorized representatives as of this 13th day of February,
2017.

Maersk Line A/S
Name:
Title:



MSC Mediterranean Shipping
Company S.A.
Name: Gianluigi Aponte
Title: President and
MSC Group Chairman

Hyundai Merchant Marine Co., Ltd.
Name:
Title:


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SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed
by their duly authorized representatives as of this 3 day of February, 2017.

Maersk Line A/S
Name:
Title:

MSC Mediterranean Shipping
Company S.A.
Name:
Title:



Hyundai Merchant Marine Co., Ltd.
Name: S. S. Lee
Title: Senior Vice President
Feb. 13, 2017

Appendix A: Definition of Geographic Terms

1. "U.S. Atlantic Coast" means all ports on the Atlantic Coast of the United States in the range from Eastport, Maine to Key West, FL.
2. "U.S. Pacific Coast" means all ports on the Pacific Coast of the United States north of the U.S.-Mexico border and south of the U.S.-Canadian border.
3. "Asia" means the following countries: Korea, Peoples' Republic of China, Hong Kong, Taiwan, Malaysia, Vietnam, Singapore, Japan, Thailand, Sri Lanka, Oman, and the Bahamas.
4. "North Europe" means the following countries: Belgium, France, Germany, The Netherlands and the United Kingdom.